

TO: Secretary Paige
FROM: Acting COO Jim Manning
RE: FSA Weekly Report
DATE: September 9, 2002

THE WEEK AHEAD

FY 2000 Cohort Default Rates Release: On September 9, schools' and guaranty agencies' (GAs) default rates for FY 2000 (the most recent cohort year) will be released to them. OPA is planning a press release for September 12.

KEY NEWS

FSA's New COO: On September 3, Terri Shaw joined FSA as Secretary Paige's choice for FSA's new Chief Operating Officer. Shaw will be sworn in as soon as routine security clearances are completed.

Recoveries Exceed Goal: As of September 9, FSA hit a total of \$924,703,685 in FY 2002 non-consolidated recoveries (i.e., recoveries that do not include defaulted FFEL loans recovered by consolidating them into the Direct Loan program and returning them to active status). The non-consolidated recovery total of \$924+ million represents 7.28% of our portfolio.

Web FAFSA Sets New Record: On September 3, we received our 4.5 millionth FAFSA (Free Application for Federal Student Aid) via the Internet for the 2002-2003 award year. We have surpassed both the total Web FAFSAs submitted by this time last year (2.7 million) and, in fact, the total for all of the 2001-2002 award year (3.6 million). First-time Web filings are up 55% over last year; renewal applications are up 73%; and Spanish Web FAFSAs are up 535%.

FAFSA Processing: For the 2002-2003 award year, as of September 1, we have processed 9,622,158 FAFSAs. More than 5.4 million (56%) have been electronic. The average turnaround time is 3.1 days. This is Week 35 of the 86-week processing cycle.

Accounting: ED and FSA's CFOs, who work in close partnership, have implemented a new business process for IPAC transactions. It eliminates the requirement to post such transactions to the Treasury suspense account F3885. The new process removed various FY 2001 and 2002 IPAC-related transactions, matched the unmatched transactions in the Checkfree reconciliation tool, and provided for improved cash controls. The total dollar amount for the transactions removed was more than \$1 billion.

Redesigned Schools Portal Goes Live: On September 1, we released Version 2.0 of the Schools Portal (fsa4schools.ed.gov). Most changes were in response to feedback from school partners. We now group offerings by business function, in line with schools' business processes. We've also made the Headlines and Calendar more prominent.

Work now begins on a similar update for IFAP (the Information for Financial Aid Professionals Web site at “ifap.ed.gov”).

Redesigned Intranet Goes Live: On September 3, we released Version 2.0 of the FSA Intranet, “FSAnet.” The site is designed to help staff do their jobs more efficiently. The redesign organizes information around business processes, rather than channels and offices. It features a searchable Staff Directory, a “Water Cooler” staff chat room, and an environment called the “Rumor Mill” where staff can get questions answered. To visit FSA’s Intranet, key “fsanet” into your Web browser.

Voice Over Internet Protocol (VOIP) Phone System: FSA CIO and ED CIO worked jointly to implement a new standard for the VOIP phone system in Union Center Plaza. The new standard, implemented September 3, uses 6-digit dialing within the building. The project went smoothly without interruption in services. The objective is to save costs on long-distance among the regions and D.C. Similar standards will be applied to the Kansas City, Atlanta, and San Francisco offices.

NSLDS II: The National Student Loan Data System reengineering project is ahead of schedule. The development environment was delivered the last week of August—five weeks ahead of the October deadline. The first release of NSLDS II is scheduled for September 2003. A detailed design will be ready by October 1.

RESOLUTION OF KEY ISSUES

Nothing to report.

PUBLIC AFFAIRS ACTIVITIES

(See “FY 2000 Cohort Default Rates Release” under “The Week Ahead” above.)

REGULATORY ACTIVITIES

Nothing to report.

POLICY DOCUMENTS

Nothing to report.

GRANT ACTIVITIES

Nothing to report.

ON THE HORIZON

OIG Meeting on “Mod Partner:” An exit conference is scheduled for September 17 for the OIG review of the Accenture Contract for FSA Modernization.

OIG Meeting on SSN: An exit conference is scheduled for September 18 for the OIG Social Security Number audit. The audit was designed to evaluate the access, use and disclosure of SSNs with respect to the Pell Grant Program. The effort centered on the access/use/disclosure involving third parties. Since Pell receives SSNs from other ED systems and institutions and does not disclose SSN data to outside parties, the scope was narrowed to review controls over access/use/disclosure by contractors. Specifically, it

related to the RFMS (Recipient Financial Management System) and VDC (Virtual Data Center) contractors (ACS and CSC, respectively).

Financial Partners Portal Version 2.0: The redesigned Web portal for financial partners is set to go live on September 30. The URL is “fp.ed.gov.”

NSLDS High Performance Query: In October, we plan to implement a new version of the current query tool for NSLDS. The new tool will enable us to get reports faster and will save money.

CONTACT INFORMATION

Please contact Karen Santos Freeman at 377-4001 with any questions.